Stop the Madness: Texas Taxpayers and Mentally Ill Texans Need Medicaid Expansion

By Sandra Guerra Thompson and Jessica Mantel

When people with mental illnesses do not have the medical resources they need to stabilize their mental health, they often end up in jail. In Houston, home of the world’s largest medical complex, the largest provider of mental health services is the Harris County Jail, and as is true of the jails in Dallas, San Antonio, and other Texas cities. Experts estimate that more than half of the individuals in jail suffer from a mental health disorder, with many also suffering a substance or alcohol abuse problem. This translates into an unconscionable number of mentally ill people sitting in jails across the state.

Texas currently ranks 49th in the nation in per capita spending on mental health services. But there is a way that Texas can do better – expanding the state Medicaid program. Medicaid covers the cost of treating mental illness and substance abuse disorders. Eligibility for Medicaid in Texas is limited to certain low-income groups, including children, pregnant women, parents of dependent children, and elderly and disabled adults. Most of the mentally ill individuals ending up in jail do not fit into one of these categories. However, the Affordable Care Act allows states to change that. States can now elect to cover adults with incomes at or below 138 percent of the federal poverty line ($16,242 for an individual in 2015). The federal government will cover 100 percent of the cost of health care provided to these adults through 2016, phasing down to 90 percent in 2020 and thereafter. The majority of states – 29 states plus the District of Columbia – have expanded their Medicaid programs, with another six states actively considering options for doing so. A bill before the Texas House would add our state to the list of those expanding Medicaid.

Jailing the mentally ill is an expensive and counterproductive way to deal with this public health problem. To give one example, on any given day in Houston, about 2,400 mentally ill people on prescribed psychotropic medications occupy cells in the Harris County Jail at local taxpayer expense. Implementing the Medicaid expansion would keep many of these individuals out of jail by giving them access to treatments for their mental health and substance abuse disorders. Studies have found that inmates with severe mental health or substance abuse issues who were enrolled in Medicaid upon their release were less likely to end-up back in prison. For this reason, jail officials and mental health providers applauded the expansion of Medicaid in
their states, recognizing that for many mentally ill inmates it would end the cycle of repeat incarceration. Simply put, expanding Medicaid will reduce crime.

Expanding Medicaid would also lower the cost to local communities and the state of providing health care to inmates. Texas taxpayers currently foot the bill for most of the health care given to prisoners. For prisoners eligible for Medicaid, however, Medicaid will pay for their care when admitted to inpatient facilities, such as an acute care or psychiatric hospital or a nursing home. With the federal government paying for 90 percent to 100 percent of the cost of this inpatient care for the expansion population, this means expanding Medicaid would save Texas taxpayers millions of dollars each year.

Leaders in the business community and the health care industry strongly support Medicaid expansion. Medicaid brings better medical and mental health care to those with the greatest need, taking the burden off of hospital emergency rooms and preventing needless suffering.

To reduce the use of jails to treat the mentally ill, the choice is clear—Texas should expand Medicaid. The status quo leaves millions of federal tax dollars on the table and forces state and local taxpayers to foot the bill for caring for the mentally ill in prison or jail. In contrast, expanding Medicaid would bring relief to state and local taxpayers while taking a more humane and cost-effective approach to how we treat our fellow citizens who suffer from mental illness. And, better mental health for our community brings the happy byproduct of a reduction in crime.

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